

## **ECONOMIC DEVELOPMENT COMMITTEE**

**DATE:** June 29, 2005

**CALLED TO ORDER:** 5:00 p.m.

**ADJOURNED:** 5:41 p.m.

### **ATTENDANCE**

#### ATTENDING MEMBERS

Jackie Nytes, Chair  
Patrice Abduallah  
Virginia Cain  
Lonnell Conley  
Marilyn Pfisterer  
Isaac Randolph, Jr

#### ABSENT MEMBERS

Joanne Sanders

### **AGENDA**

PROPOSAL NO. 42, 2005 - amends the Code requiring the Purchasing Division to adopt rules to give a preference to Indiana businesses pursuant to IC 5-22-15-20  
"Postpone" until August 3, 2005 Vote 6-0

PROPOSAL NO. 270, 2005 - reappoints Susan J. Powers to the City Market Corporation board of directors  
"Do Pass" Vote 5-0

PROPOSAL NO. 271, 2005 - reappoints Joanna Niehoff Tuohy to the City Market Corporation board of directors  
"Do Pass" Vote 5-0

PROPOSAL NO. 272, 2005 - reappoints Alan Wiseman to the City Market Corporation board of directors  
"Do Pass" Vote 5-0

PROPOSAL NO. 273, 2005 - reappoints Judy Stanley to the City Market Corporation board of directors  
"Do Pass" Vote 5-0

## **ECONOMIC DEVELOPMENT COMMITTEE**

The Economic Development Committee of the City-County Council met on Wednesday, June 29, 2005. Chair Jackie Nytes called the meeting to order at 5:00 p.m. with the following members present: Patrice Abdullah, Virginia Cain, Isaac Randolph, Jr. and Lonnell Conley. Marilyn Pfisterer arrived shortly thereafter.

PROPOSAL NO. 42, 2005 - amends the Code requiring the Purchasing Division to adopt rules to give a preference to Indiana businesses pursuant to IC 5-22-15-20

Chair Nytes said that Proposal 42, 2005 takes a look at whether we would use provisions of the business State law regarding purchasing. The proposal has been before the Committee twice before and many questions have been raised about the intricacies of the government purchasing. She said the staff from the Controller's Office is prepared to respond to some of the questions from the last meeting.

Amy McFadden Marack, Deputy Controller, distributed handouts that included: a memorandum to the Committee regarding Proposal 42, 2005 (Exhibit A); a state scope of preference and conditions (Exhibit B); a list of top ten supplies and services, construction companies, and utilities and nonprofits (Exhibit C); and a current list of vendors and companies the City presently uses (Exhibit D). Ms. McFadden Marack said that Deborah Green, Purchasing Administrator, also has a handout, which was also distributed, that includes a list of top 10 out-of-state vendors and a pie chart that graphically shows the percentage of spending with out-of-state vendors (Exhibit E).

[Clerk's note: Copies of Exhibits A, B, C, D, & E are on file in the Council office with the original minutes of this meeting.]

Ms. McFadden Marack said the first handout is a copy of the memo that she submitted to Councillors Randolph and Nytes (Exhibit A). The handout has the State code cited on the back and includes a pie chart that breaks down the spending patterns for 2004. She said that it was stated in the last meeting that there were twelve states that had preferences, but additional research reveals more recent information from 2005 based on changes in legislature in different states. Exhibit B is a result of the research and is a more comprehensive list that not only shows total preference or reciprocity, but also shows any state that may have a preference for a certain item, such as forestry products in Georgia or coal in Illinois and Iowa. Exhibit C is in compliance with a request from Councillor Randolph that shows some of the top ten Indiana vendors. The first page shows the top ten supplies and services with addresses listed on the back, and the second page shows the top ten construction companies. Listed on the back are the top ten utilities and non-profits. She said that she wrote in reasons why payments are being made to the particular utility or non-profit companies. She said Exhibit D is a list of the Indiana businesses that are in the City Controller's vendor database. With this exercise, the Controller's Office has been able to see that ninety percent (90%) of the purchases are actually coming from Indiana businesses. As the database was examined, the addresses

revealed that some were either post office boxes or listed an address in Indiana and an address in another state. She said that the Controller's Office needs to clarify Indiana business addresses more in vendor applications. The good news is that most of the purchases come from companies that are either physically located in Indiana or have an Indiana presence in the form of businesses like Xerox, that has a corporate headquarters elsewhere but performs a great deal of business in Indiana.

Ms. Green said that the Purchasing Department has had to deal with a lot of information that had to be pulled out of the system and quickly put that information in a format for review. She referred to the pie chart attached to Exhibit E and explained that 56% or \$14 million, of the out-of-state spending was to Super Excavators for public works construction and, as a result, would not be affected by the measure. The 30% or \$7 million is for companies that may be headquartered out-of-state but have a very significant local presence; therefore, with regard to the proposal, could be included as parts of the total spending in Indiana. Those companies include Speedway Superamerica, which is where the City purchases gasoline; Greely and Hanson, which is an engineer company that has three or four offices here in Indianapolis; and Fifth Third Bank or Fifth Third Leasing. Hence this 30% could be included as part of Indiana. The 8% or \$1,974 was a result of an Indiana Department of Transportation (INDOT) contract to a company that consulted on the REAL transit system. One-third of that contract was subcontracted to a local engineering firm, resulting in a portion also being part of the Indiana total spending. She discovered just before the meeting, that that the 6% that would have been affected by the proposal has some local Indiana presence. So it is possible that out of the top ten, none of the 6% would be affected by the proposal. However, if a complete analysis is done, the figures could change slightly.

Ms. McFadden Marack said that some of the companies that are part of the out-of-state are things such as the robots that have to be purchased for public safety purposes and are not manufactured in Indiana. The City needs certain items that cannot be purchased from Indiana, even if desired. Ms. Green said that she also talked with some people in the departments, such as Michael Deering from the Department of Metropolitan Development (DMD), about the public transit vendor. He said that another consideration that may be noted by the Board is that DMD will occasionally hire an outside consultant to do work in which a neutral party is needed that would not be affected, especially when dealing with economic interest.

Chair Nytes opened the floor for questions from members of the Committee. Councillor Connelly asked if about 85% to 90% of this is already in compliance with Councillor Randolph's request. Ms. McFadden Marack answered in the affirmative. Councillor Connelly asked if there is 10% of what is left that needs to be in compliance. Ms. McFadden Marack answered in the affirmative and said that part of the 10% is what was highlighted by Ms. Green as examples of the out-of-state vendors. Ms. Green said that a lot of the vendors were also types of purchases that cannot be purchased locally, such as the tazers from Tazer International, the robot that was purchased for emergency management, and very technical type items.

Chair Nytes asked for elaboration on the expanded list of all of the reciprocity conditions (Exhibit B) that exist in other states. She said that the list further complicates the issue and stated that it was short before but has gotten longer. She asked if it is like a moving target. Ms. McFadden Marack answered in the affirmative and said that she is not sure if it is because of the State legislation's changes every year or if it was just a change across the country, but there have been several changes. The previous list was for 2004, and the current list (Exhibit B) is for 2005. She said that Indiana State statute says that any reciprocity rules have to be acknowledged; therefore, if the City establishes a preference, it would have to refer to that list and create some sort of procedure to determine if the preference would apply. Chair Nytes asked if it is because of the way the State statute is written. Ms. McFadden Marack answered in the affirmative and said that the State statute gives the locality the ability to establish a preference, but the rules of the State statute must still be followed. As a result of that, the City must determine the Indiana business and examine the reciprocity laws of other states. Exhibit B is important because it lists the reciprocity conditions that the City would have to look at. Ms. Green said that the reciprocity issue presents two challenges: the fact that it is a moving target because every year more changes are made (for example, a state may not have a preference one year and develop a preference the next year and vice versa); the other challenge is that a lot of the states have differentiated based on commodity. For example, if a vendor competed from Hawaii, the City would have to see if there was a reciprocity issue to see if they are giving preferences for specific commodities to determine if it would apply for a particular type of purchase. She gave an example that Iowa's reciprocity is only for coal, so it would not apply for anything that is not coal. But the City would have to know that for each state. Several of the states are complicated by having six or seven different preferences.

Chair Nytes gave an update for Councillor Pfisterer's arrival at 5:12 p.m., stating that Ms. McFadden Marack and Ms. Green have provided additional information in response to the Committee questions from the last meeting. She said that the good news is that, upon closer examination, the City is probably performing even closer to the goal that she believes Councillor Randolph was hoping for of a real opportunity to support local Indiana businesses. However, the more that has been researched as to what is involved in complying with the procedures that the State gives to implement the preference program, the more it becomes complicated.

Councillor Abdullah said that he was surprised, yet pleased, to see that it has exceeded his overall expectations. He said that at first he was not sure if the percentages would be anywhere around 60% or 70%. He thinks that it is tremendous that the City is near 90%. He said that the reciprocity issue is complicated, and he imagines that the City would have to be on the move with the preference by state to state and understands that what is done this year may not be preferable for the following years.

Councillor Pfisterer asked if there is any reason to believe that the State regulations regarding preferences will remain the same or if they will be streamlined or changed. Ms. McFadden Marack said that it is hard to predict what the Legislature will do, but it could possibly change. Chair Nytes asked Councillor Pfisterer if she is suggesting that

the Committee could perhaps revisit the issue at some point if something less cumbersome is developed. Councillor Pfisterer said that she wondered, with a lot of procedures of the State currently being reviewed with the intent of making it easier for entities to be able to comply, if something along that route is coming along. Ms. McFadden Marack said she has not heard anything specific to this issue, but the City would have to follow the State law as it is currently written. She said that it may be a possibility that it changes next session, but that cannot be predicted. Councillor Pfisterer said that she just wanted to introduce the thought.

Councillor Randolph thanked Ms. McFadden Marack and Ms. Green for their due diligence. He said that he and the Committee would like to look over the information further and would like for Ms. McFadden Marack and Ms. Green to come back again due to a possible split vote of the Committee because all members could not be present for tonight's meeting. Chair Nytes said that she believes that some of the members of the Committee have reached a point of satisfaction, but also noted that Councillor Randolph has stated he is getting to that point but is not quite there yet. She said that given the fact that one member of the Council is traveling for business this evening, it leaves the Committee in a difficult voting situation. Therefore, it would be a good idea to postpone it until the next meeting and she and Councillor Randolph can conference between now and then to decide what it will take to give Councillor Randolph a chance to be comfortable with the results.

Councillor Abdullah moved, seconded by Councillor Pfisterer, to "Postpone" Proposal No. 42, 2005 until August 3, 2005. The motion carried by a vote of 6-0.

[Clerk's note: Councillor Abdullah left following the motion to testify before a meeting of the Public Safety Committee, which was scheduled at the same time.]

Chair Nytes said that the remaining items on the agenda all concern reappointments to the City Market Board of Directors. She said that the Committee would take a minute to hear comments from each of the members, as they each have different experiences in their services on the Board.

PROPOSAL NO. 270, 2005 - reappoints Susan J. Powers to the City Market Corporation board of directors

Susan Powers said that she is here asking for the vote of the Committee to retain her place on the City Market Board of Directors. She said since there are four people up for reappointment, who each contribute something different to the Board, she feels that each of them should talk to the Committee about their Foundation. She said that the Board talked about a year ago about forming a Foundation for the City Market, specifically to help raise money for the Market. The Board started by talking to a few people about the idea, and with Jeff Lowe's help getting all the proper papers filed, the Board started recruiting people to sit on the Foundation Board. Two former presidents of the City Market Board agreed to sit on the Foundation board. The mission of the Foundation Board is to promote and support the historic Indianapolis City Market through resource

development for the Market's programs and historic preservation. Last fall, with direct mail requests, the Foundation raised approximately \$8,000. There is another campaign in the works, along with some very exciting events to be staged. The first will be a Gingerbread Village for the Christmas season. There will be ten foot tall gingerbread houses decorated as a cobbler shop, toy shop, confectionary shop, and more. The committee for this event expressed that many surprises are in store, and it hopes to make this an annual downtown event that no one will want to miss. The Foundation was pleased to announce the return of the "To Market, To Market Ball" as the big fundraising event for the spring of 2006. Under the new direction of the historic Indianapolis City Market Foundation, the renewal of the City Market as a traditional public market gathering place will be worked towards. Ruthie Longworth, Director, and both boards are working together to make the City Market a destination point.

Councillor Connelly asked Ms. Powers how long she has been on the City Market board. Ms. Powers answered that this will be her fourth appointment. Chair Nytes asked if the Committee would allow each of the members speak, and then the Committee would have one motion to approve all of the appointments unless there are any that need to be held out. The Committee agreed.

PROPOSAL NO. 271, 2005 - reappoints Joanna Niehoff Tuohy to the City Market Corporation board of directors

Joanna Niehoff Tuohy said that she has been on the Board for five and has been President of the Board for about four and a half of those five years. She said she has really enjoyed the Board and believes that the current Board is very strong, active, and has helped open the door for some people that the Board needed help from. The Board received money from the account that was set aside for historic buildings, which resulted in \$350,000 available for spending. The Board has been working really hard on the renewal of the main Market house. The Board will update the lighting, flooring and hopefully the paint. A few miscellaneous items, such as windows, have been fixed with some of the money. Some of the stands will also be redone, and the main Market hall will be reconfigured. She said that hopefully some real changes in the main Market house will be visible by year-end and everything will be complete by the first quarter of next year.

Chair Nytes asked Ms. Niehoff Tuohy how many times she had been reappointed to the Board. Ms. Niehoff Tuohy said that this will be her third appointment.

PROPOSAL NO. 272, 2005 - reappoints Alan Wiseman to the City Market Corporation board of directors

Alan Wiseman said that this is his second reappointment to the Board, and he considers it an honor to work beside Director Longworth and the staff. He said that he brings his engineering background to the Board. He has served as the Chair of the Building and Grounds Committee for the last two years. He said the committee is also looking at some improvements to the Historic Market, but obviously has to take into consideration the historic nature of the building and structure. Therefore, the committee is trying to tackle

a few of the issues in the best possible manner. He said that he has focused highly on two areas: the dewatering pumping system in the basement (which has been made more reliable by obtaining proper specifications), and the grease removal process for the vendors. He said that he, a consultant and Director Longworth recently took a trip to Detroit to a major automobile facility to examine its grease removal system. It involves ultra violet technology, and the committee is very excited about the possibility of utilizing that technology with the food vendors to be able to remove the grease and keep it out of the dump work, the vans, and the Market. He said that it has been fun to serve again with the staff, and he is looking forward to implementing some of the changes. He said they are also looking at energy management to be able to integrate the heating and cooling ventilation of the Market. Chair Nytes asked if he represents a lot of the high tech solutions to a relatively low tech building. Mr. Wiseman answered in the affirmative and stated that the Board wants to extend it for at least another one hundred years.

PROPOSAL NO. 273, 2005 - reappoints Judy Stanley to the City Market Corporation board of directors

Judy Stanley said that this will be her second appointment to the Board. She said she feels that she can help the City Market with her background of banking for 25 years and now has a family business that has been operating for 18 years, for which she is a consultant. At one point, the family business was up to 168 retail stores for the fireworks season, and she handled most of the leasing and hiring for the stores. She is on the Leasing Committee for the City Market Board, and she enjoys it very much. This committee reviews the leases and has revised the leasing contract, which has allowed the Market to have a more firm handle with anyone past due and collection of past due monies. As Mr. Wiseman mentioned, the committee is also looking at new venting systems to enable the prepared food vendors to be stationed around the outside of the building with retail vendors on the inside, in order to provide a better flow of traffic. She said that she feels honored and excited to be involved in the City Market.

Chair Nytes said that as a member of a family-owned business, Ms. Stanley would have some sensitivity to the perspective of some of the stand holders and sympathize with them, because many of them are family-owned businesses. Councillor Connelly said that he always likes to thank the people who take their time to serve on boards, and all the members seem very much qualified to do the particular service that they are here for.

Councillor Connelly moved, seconded by Councillor Cain, to forward Proposal No. 270, 2005; Proposal No. 271, 2005; Proposal No. 272, 2005; and Proposal No. 273, 2005 to the full Council all with "Do Pass" recommendations. The motion carried by a vote of 5-0.

OTHER BUSINESS

Councillor Pfisterer thanked the people that supported the Job Fair held Tuesday, June 28<sup>th</sup>, at the North Washington Community School. It was phenomenally successful, with 650 applicants in attendance and a little over 25 major employers within the City. She

thanked the Christamore House, WESCO, Westside HNC, Hawthorne Center, Councillor Mahern, Councillor Randolph, and other resources that helped publicize the Job Fair. She said that every employer there ran out of material long before the end of the fair. She said that it is anticipated that it will result in good jobs for the people that attended.

Chair Nytes asked if everyone received the RFP information from DMD that was discussed at the last meeting. She told everyone to check their boxes to see if it has been received for review. She also shared that the Department has received approximately three proposals for the redevelopment of the Herron Art School facility, and details of those proposals are available on the Economic Development web site.

Councillor Pfisterer commented that the tours of Central State properties were held this afternoon for interested bidders. The reception was held in the Medical History Museum, and at least three interested bidders present.

Chair Nytes informed the Committee that she and Councillor Connelly attended the National League of Cities Forum on Economic Vitality. It was three days of intense speakers and discussion groups on economic development of cities and what government officials can do. She brought back a couple of extra copies of some of the packets that were given and said they are available to anyone who would like to view them because of the inability to attend. She said that the next meeting is Wednesday, August 3, 2005, and she has been talking to the President of BioCrossroads, who is interested in making a presentation to the Committee at that meeting. So she expects that the presentation will be on the agenda, in addition to any items from the Council, unless something prevents his appearance.

### CONCLUSION

With no further business, and upon motion duly made, the Economic Development Committee of the City-County Council was adjourned at 5:41 p.m.

Respectfully Submitted,

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Jackie Nytes, Chair

JN/nsm